

# Incentives Policy

## Recommendations

### Housing

The core principle of our housing abatement policy is to foster private sector investment to build mixed income neighborhoods.

The City's existing post-1994 Community Reinvestment Areas will be divided into three categories. An outside consultant will re-evaluate the categories and track the data for each category on an annual basis:

- Market Ready – Areas meeting no more than one distress criteria
  - 6 year categorization
- Ready for Revitalization – Areas meeting 2-4 distress criteria
  - 3 year categorization
- Ready for Opportunity – Areas meeting 5-6 distress criteria
  - 6 year categorization

Distress criteria include:

- population growth
- median household income growth
- poverty rate
- growth in median rent
- housing vacancy rate
- mortgage foreclosure rate

#### **MARKET READY:**

100%, 15 year abatements will be available for mid-rise and high-rise projects with a step down payment back to the schools as follows: 15% of normal school payment in year 11, 30% in year 12, etc. Additional requirements for the lifetime of the abatement:

- 10% of units affordable and rented to households making up to 80% AMI
- 10% of units affordable and rented to households making up to 100% AMI

Property Owners can earn credits to reduce the affordability requirements:

- 1 unit of affordable housing credit for every 25,000 sq. ft. of Class A office space in the project
- 1 unit of affordable housing credit for every \$1 million of environmental remediation expenses
- Rehabilitation of properties listed on the Columbus Register of Historic Properties will be relieved of the affordability requirements.

OR

- The property owner can buy out of the affordability requirement with an annual payment of 125% of the difference between the rent realized by the 20% least expensive units and the affordable units that would have been required. The payment will be made to the Affordable Housing Trust to support the creation of new affordable housing.

Single family residential rehabilitation projects will qualify for abatement. Single family new construction will not be eligible for the abatement unless designated for affordable housing.

# Incentives Policy

## Recommendations

### **READY FOR REVITALIZATION:**

100%, 15 year property tax abatements will be available for all projects including single family new construction and rehabilitation. The same affordability requirements for multi-family projects from the Market Ready category applies to the Ready for Revitalization category. Property Owners can earn affordability credits:

- 1 unit of affordable housing credit for every \$2,500 payment to a local Community Development
- The affordability requirement may be waived if the developer is partnering with a local CDC, Columbus Next Generation Corporation, or another non-profit housing developer.

### **READY FOR OPPORTUNITY**

100%, 15 year property tax abatements for all projects.

### **Incentive Area Expansion Policy:**

Outside of our existing abatement areas, the City will consider abatement of residential property under the following conditions:

- If the abatement area is requested by a developer, the Developer must pay a fee of \$15,000 to offset the costs of establishing the abatement area.
- The fee may be waived if the Developer can demonstrate that the census tract that encompasses the abatement area meets at least 4 of the distressed criteria.
- The City will positively consider request for abatement for projects that are eligible for Federal Low Income Housing Tax Credits.
- If the area proposed by the Developer was annexed into the City after 1970, the Developer must demonstrate the existence of at least one of the following criteria:
  - Integration with a Columbus employment center that lacks sufficient housing
  - Existence of crime “hot spot”
  - Extensive blight compromising more than 10% of proposed abatement area

## **Business**

- Development will produce and make public an evaluation tool showing how Jobs Growth Incentive and Job Creation Tax Credit rates and terms are determined. Key factors in determining benefit levels are:
  - Average hourly wage
  - Number of new jobs
  - Retained jobs and payroll
  - Length of lease/ownership status of the facility.

Special consideration will be given to companies locating in Opportunity Ready neighborhoods, companies locating on former brownfield sites, and companies encouraging employment of difficult to employ populations.

- Development will not provide incentives for jobs paying less than \$15/hour. An exception may be made for companies locating in Opportunity Ready or Ready for Revitalization neighborhoods who can demonstrate they are providing additional non-monetary benefits that bring compensation up to \$15/hour.

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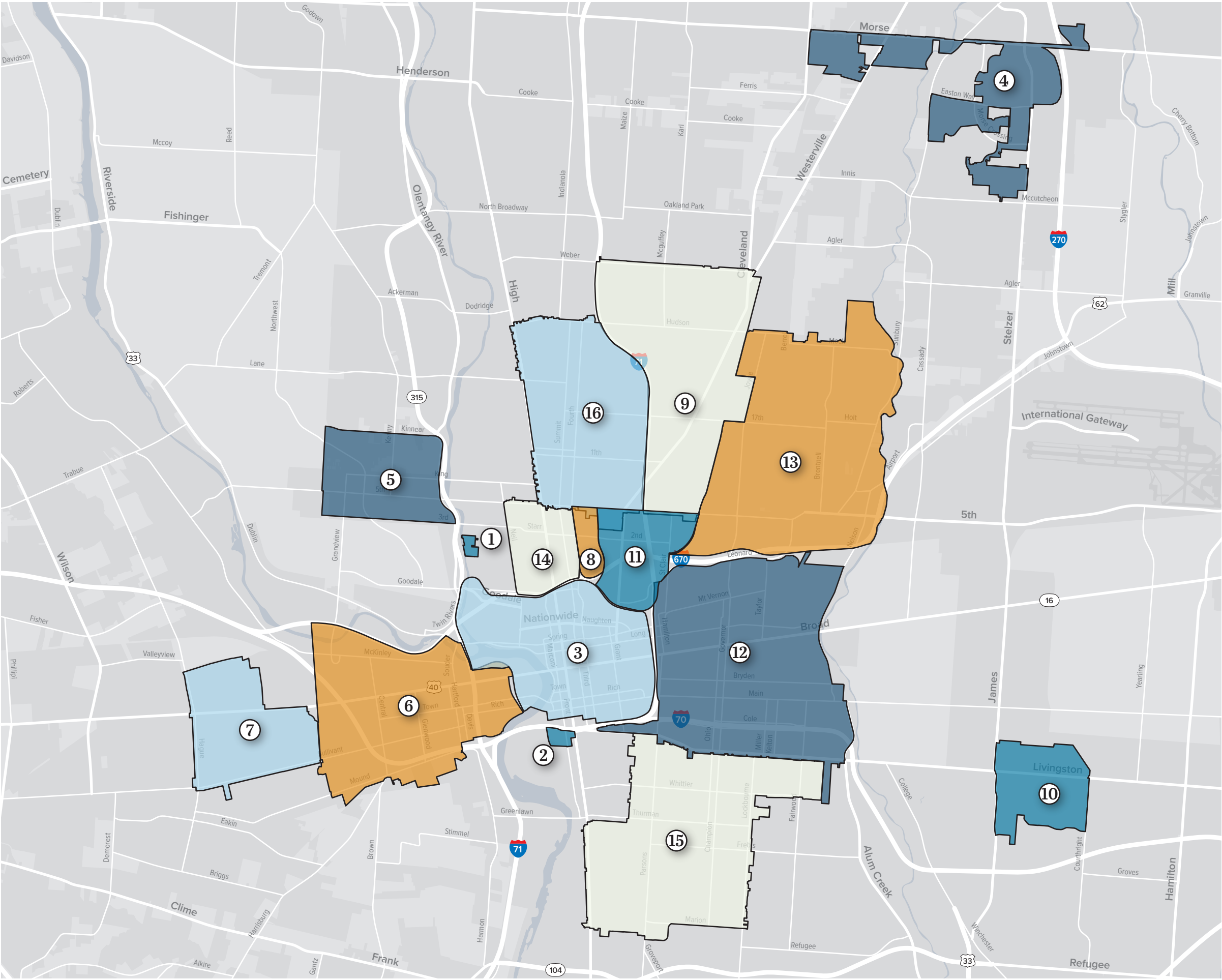
## Area Median Income for Columbus MSA

2017 HUD Income Guidelines\*:

| Family Size | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|
| 80% AMI     | 41,650 | 47,600 | 53,550 | 59,500 | 64,300 | 69,050 | 73,800 | 78,550 |
| 100% AMI    | 52,063 | 59,500 | 66,938 | 74,375 | 80,375 | 86,313 | 92,250 | 98,188 |

\*The Department of Housing and Urban Development (HUD) evaluates and updates the AMI guidelines on an annual basis: [https://www.huduser.gov/portal/datasets/il.html#2017?WT.mc\\_id=FY%202017\\_april252017&WT.tsrc=Email](https://www.huduser.gov/portal/datasets/il.html#2017?WT.mc_id=FY%202017_april252017&WT.tsrc=Email)

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# Neighborhood Investment Districts & Community Reinvestment Areas

## HOUSING DIVISION

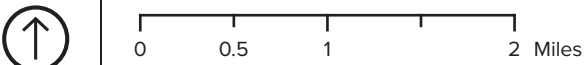
As part of the Residential Tax Incentives (RTI) program, the Neighborhood Investment Districts (NID) and the Community Reinvestment Areas (CRA) programs are designed to stabilize neighborhoods and stimulate revitalization by retaining residents and attracting new homeowners in specific areas of the City of Columbus. The NID and CRA areas also have public and private investment occurring; creating new housing and updating existing homes that will complement, stabilize, and boost existing investments in designated neighborhoods.

### NIDS AND CRA INFORMATION

The NID and CRA designations approved by City Council are listed below. Each NID/CRA area has various expiration dates.

- 1. AC Humko CRA
- 2. Brewer's Yard CRA\*
- 3. Downtown CRA\*
- 4. Easton Square Place CRA
- 5. Fifth By Northwest CRA
- 6. Franklinton NID
- 7. Hilltop NID
- 8. Jeffrey Residential CRA\*
- 9. Linden NID
- 10. Livingston and James CRA
- 11. Milo-Grogan CRA
- 12. Near East NID
- 13. North Central NID
- 14. Short North CRA
- 15. Southside NID
- 16. Weinland Park NID

\* Pre 1994



Coordinate System: State Plane Ohio South; U.S. Foot; North American Datum 1983

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THE CITY OF  
**COLUMBUS**  
ANDREW J. GINTHER, MAYOR

DEPARTMENT OF  
DEVELOPMENT

| <b>Category</b>                 | <b>Developer Benefits</b>   | <b>Types of housing investment abated</b>                                  | <b>Affordable housing requirement</b>  |
|---------------------------------|---|--|--|
| <i>Market Ready</i>             | 100%, 15-year abatement with decreasing benefit starting in year 11 | Mid-rise and high-rise multifamily projects. Single family rehabilitation. | 10% of units affordable to and rented to households at or below 100% AMI<br><br>10% of units affordable to and rented to households at or below 80% AMI  |
| <i>Ready for Revitalization</i> | 100%, 15-year abatement   | All multifamily and single family investment                               | Option 1: Provide affordable housing as in Market Ready<br><br>Option 2: Pay \$2,500 per unit to a community group working on affordable housing in the community<br><br>Option 3: Include an affordable housing group as a partner in the project |
| <i>Ready for Opportunity</i>    | 100%, 15-year abatement   | All multifamily and single family investment                               | None   |